India-Pakistan Situation: The Pak military commander in the East has transmitted through UN channels his acceptance of India's "surrender terms" and according to Indian press reports an agreement has been signed. Indian troops reportedly have already entered the city. Fairly heavy firing, however, has started in the streets of Dacca, perhaps marking an uprising by the guerrillas who have been laying low in the capital city. The Pak forces are also destroying their POL and essential military supplies. In the West, land and air action was reported at several places, but there apparently are no important new gains by either side.

Diplomatic activity at the UN was intense yesterday although very little, if anything, was accomplished. In the early hours, the British and French plodded along with consultations over their draft compromise resolution, but it became apparent by mid-day that a viable draft was still out of reach and that the Indians and Soviets were continuing to stall. Bhutto, nevertheless, insisted on a Security Council meeting after lunch, they in a 40 minute emotional outburst, proceeded to castigate the Council's inability to act and to attack the Indians, Soviets, British and French before tearing up his papers and walking out. The immediate impact was to spur effects by the Belgians and Italians to seek agreement on a simple cease-fire which seemed to reflect the mood of the Council as it adjourned. The Council convened again in the early evening but the debate was unconclusive and repetitive and only a strongly pro-India resolution was tabled by Poland. A final session was held late last night at which the latest UK/French effort was tabled along with a new Soviet and Syrian resolutions.

State Department review completed

TOP SECRET-SENSITIVE CONTAINS CODEWORD

ON-FILE NSC RELEASE INSTRUCTIONS APPLY

MORI C03231713

Attacket to Slaver weurs from Kennedy Saunders for HAK, 16 Dec. 1971 -

TOP SECRET-SENSITIVE CONTAINS CODEWORD

-2-

In short, as Ambassador Bush reports, the situation at the UN remains fluid and no consensus is in sight. With the table groaning under the weight of five separate draft resolutions, it is likely that if the deadlock continues some of the Security Council members will give serious consideration to returning to the General Assembly. The Paks support this approach and have begun in fact to work in this direction.

Mrs. Gandhi has sent you a long letter, which the Indians plan to make public this morning, explaining her position on the war with Pakistan. Writing "at a moment of deep anguish at the unhappy turn which the relations between our two countries have taken," Mrs. Gandhi makes the following major points:

- -- The war could have been averted if the "great leaders of the world" had paid some attention to the "reality of the situation and searched for a genuine basis for reconciliation."
- -- War could also have been avoided "if the power, influence and authority of all the states, and above all the United States, had got Sheikh Mujibur Rahman released." Instead, Mrs. Gandhi contends, India was told that a civilian administration was being installed which everyone knew was a "farce."
- -- "Lip service" was paid to the need for a practical political solution in East Pakistan, but "not a single worthwhile step was taken to bring this about."
- -- While the U.S. recognized that Mujib was a core factor and the trend was toward greater autonomy for East Pakistan, arguments were advanced to demonstrate the fragility of the situation of Yahya Khan's difficulty. War, she asks, the release or even secret negotiations with Mujib more desasterous than waging war.
- -- The rulers of Pakistan got the impression they could do what they liked because no one, not even the U.S., would choose to take a public position that "while Pakistan's integrity was certainly sacrosanct, human rights and liberty were no less so."
- -- War could have still been prevented if Pakistan had not launched a "massive attack" on India. But India does "not want any territory of what was East Pakistan

TOP SECRET-SENSITIVE CONTAINS CODEWORD

TOP SECRET-SENSITIVE CONTAINS CODEWORD

and now constitutes Bangla Desh. India also does "not want any territory of West Pakistan." India does want "lasting peace with Pakistan" but questions whether Pakistan will give up its "perpetual hostility" toward India.

Mrs. Gandhi closed by noting that India has been "deeply hurt by the innuendos and insinuations" that it had precipitated the crisis and had-"thwarted the emergence of solutions." But, be that as it may, it is her "earnest and sincere" hope that you will "at least" let her know "where precisely they have gone wrong before your representatives or spokesmen deal with them with such harshness of language."

We have the following recent indications of Soviet intentions and attitudes:

		' .
,		
		P .
encouragi	t Monday, the Soviets apparently were no	
territori	al objectives in the West.	
		<u>∤</u> .
		· ·

25X1

TOP SECRET-SENSITIVE

TOP SECRET-SENSITIVE CONTAINS CODEWORD

25X1

According to a late Peking NCNA broadcast, the Chinese have sent a note to India lodging a "strong protest" against the crossing of the China-Sikkim boundary and intrusion by Indian armed personnel into Chinese territory for reconnaissance. This is called a "grave encroachment" and a "demand" is made that it "immediately stop." This could be the prelude to limited Chinese military actions along the border with India to divert Indian attention from the West Pakistan front. This at least has been the pattern in the past.

Our carrier task force is now east of Ceylon at the base of the Bay of Bengal. Our missions in India report that this move is generating considerable anti-American sentiment. The situation is particularly bad in Calcutta where the general mood is described as "angry". Our Consul General in Calcutta reports that unless suspicions of U.S. intervention are laid to rest there will be increasing hostility, and perhaps violence, directed at U.S. officials, installations and private citizens. There have been demonstrations at our embassy in New Delhi and the consulate in Bombay. In Pakistan, the media has begun to focus attention increasingly on speculation of possible U.S. assistance or intervention via the Seventh Fleet.